



SALES TAX REFUNDS

By: Rute Pinho, Principal Analyst

ISSUE

What is the rationale for the 90-day time limit on sales tax refunds? Would it be feasible to allow for refunds outside this timeframe?

90-DAY TIME LIMIT

The rationale for the 90-day time limit on sales tax refunds is unclear. The provision dates to PA 228 (1947), which first imposed the state sales tax, and the act's [legislative history](#) does not provide an explanation for the time limit. The legislature could amend the law to allow for refunds beyond the 90-day limit, but doing so could result in an undetermined fiscal impact, according to the Department of Revenue Services (DRS).

Under state sales tax law, when customers purchase a taxable item and return it to a retailer for cash or credit within 90 days after the purchase date, they are entitled to a refund of the sales tax paid on the original purchase. The refund is based on the portion of the purchase price the retailer returns to the customer. For example, if a customer purchases a vacuum cleaner for \$100 plus \$6.35 sales tax and returns it for a full refund within 90 days of the purchase, he or she is entitled to a sales tax refund of \$6.35. If the retailer refunds \$90 to the customer and charges a \$10 restocking fee, the customer is entitled to a sales tax refund of \$5.72 (\$90 x 6.35%). Whether or not a retailer accepts returns or exchanges is subject to its store return policy, not state law ([Sales and Use taxes on Returned Goods, Even Exchanges, and Trade-Ins](#), DRS, IP 2011 (17); CGS § [12-407\(a\)\(8\)\(B\)](#) and [12-407\(a\)\(9\)\(B\)](#)).

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